

Message Text

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ACTION IO-14

INFO OCT-01 EUR-25 EA-11 NEA-11 ISO-00 AGR-20 AID-20 EB-11

RSC-01 COME-00 TRSE-00 SWF-02 OMB-01 TAR-02 SPC-03

CIAE-00 INR-10 LAB-06 NSAE-00 OIC-04 SIL-01 STR-08

CIEP-02 CEA-02 SAM-01 DRC-01 IGA-02 /159 W

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R 161300Z FEB 74

FM AMEMBASSY ROME

TO SECSTATE WASHDC 3309

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E.O. 11652: N/A

TAGS: FAO,UNCTAD

SUBJECT: REPORT ON INTERGOVERNMENTAL GROUP ON JUTE, KENAF
AND ALLIED FIBERS, ROME, FEB. 11-15

SUMMARY: TWO-DAY MEETING ON FAO INTERGOVERNMENTAL GROUP (IG) ON
JUTE, KENAF AND ALLIED FIBERS AND TWO-DAY FAO/UNCTAD INTENSIVE
CONSULTATIONS CLOSED FEBRUARY 15. IG MEETING ADOPTED AS CUSTOMARY
INDICATIVE PRICE RANGES FOR JUTE AND KENAF AND NOTED GOVERNMENT OF
INDIA RATIFICATION OF JUTE INTERNATIONAL (JI), A DECISIVE STEP IN
SETTING UP RESEARCH AND MARKETING FACILITY FOR JUTE. DURING INTENSIVE
CONSULTATIONS NEITHER UNCTAD OR PRODUCER COUNTRY DELS CONTESTED PRO-
CEDURAL ISSUES AND CONFRONTATION LARGELY ABSENT FROM SUBSTANTIVE
DISCUSSIONS. NO PROPOSALS MADE FOR SPECIFIC ACTION. DECISION TAKEN
TO EXTEND REGULAR IG MEETING SCHEDULED FOR OCTOBER BY ONE DAY
ADDING TO EGULAR AGENDA QUOTE MATTERS ARISING OUT OF THE REPORT
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OF INTENSIVE CONSULTATIONS ON JUTE, KENAF AND ALLIED FIBERS, END

QUOTE.
END SUMMARY.

1. REGULAR IG MEETING NOTABLE FOR DECISIVE RATIFICATION OF JI BY GOVERNMENT OF INIDA. UNDP REP INDICATED HIS ORGANIZATION WOULD NOW LAUNCH PREPARATORY ASSISTANCE PROJECT TO STUDY STRUCTURE OF JI AND WOULD ALSO LOOK INTO THE QUESTION OF INTERNATIONAL FINANCIAL ASSISTANCE AND OTHER AID. INDICATIVE PRICE RANGES WERE REVIEWED AS CUSTOMARY AND INCREASED TO 122.50 PLUS/MINUS 6 POUNDS STERLING PER LONG TON FOR BWD FOB CHITTAGONG/CHALMA AND 85 PLUS/MINUS 5 POUNDS STERLING PER LONG TON FOR THAI A KENAF FOB BANGKOK.

2. INTENSIVE CONSULTATIONS: PROCEDURAL ISSUES. US DEL TOOK ACTIVE ROLE IN INFORMAL EFFORTS AMONG CONSUMER COUNTRIES TO FORM A CONSENSUS CONCERNING NATURE, PROCEDURE AND FUTURE OF CONSULTATION AND US POSITION WAS STATED AND ACCEPTED WITHOUT CHALLENGE DURING DISCUSSION OF RELEVANT AGENDA ITEM.

3. REGNIER (BELGIUM FAO PERMREP), CHAIRMAN FOR REGULAR IG MEETING, WAS RETAINED ALTHOUGH BANGLADESH AND INDIAN DELEGATIONS OBJECTED DURING PRE-SESSION MANEUVERING TO CHAIRMAN FROM EC COUNTRY. US DEL MEDIATED DECISION TO RETAIN EC CHAIRMAN.

4. AGENDA ADOPTED WITHOUT FORMAL CHANGE AFTER CONSENSUS EASILY REACHED ON UK DELEGATION SUGGESTION THAT TRADE LIBERALIZATION AND PRICING POLICY BE DISCUSSED TOGETHER SINCE INSEPARABLE IN REALITY.

5. BANGLADESH DELEGATION NOTED ISSUES OF INTENSIVE CONSULTATIONS NOT EXHAUSTED AND SUGGESTED EXTENDING NEXT REGULAR IG MEETING BY ONE DAY INCLUDING SPECIFIC ISSUES DISCUSSED IN CONSULTATIONS ON REGULAR AGENDA.

6. US DEL ACTIVELY ENCOURAGED DRAFT REPORT BE PREPARED BY SECRETARIAT AS IN REGULAR IG MEETINGS. THIS PROCEDURE POSSIBLE DUE ABSENCE SHARP CONFRONTATIONS AND SIMPLIFIED BY CHAIRMAN'S VERBAL SUMMARY OF DISCUSSION OF EACH AGENDA ITEM.

7. PRICING POLICY. REGULAR IG MEETINGS HAVE DEVELOPED PRACTICE OF DISCUSSING AND ARRIVING AT PRICE RANGE OF BANGLADESH JUTE AND THAI KENAF WHICH IS GENERALLY SATISFACTORY TO BOTH PRODUCER AND CON-

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SUMERNATIONS. THUS, PRICING POLICY DISCUSSIONS DURING INTENSIVE CONSULTATIONS WERE DEVOID OF PASSION THIS SUBJECT CAN AROUSE. PRODUCING COUNTRIES CHIEFLY CONCERNED BY EFFECT OF RAPIDLY RISING FREIGHT RATES ON COMPETITIVE POSITION OF JUTE.

8. TRADE LIBERALIZATION. PRODUCING COUNTRIES PARTICULARLY INTERESTED IN REMOVING TARIFFS ON JUTE PRODUCTS EXPORTED FROM BANGLADESH AND INDIA AS PARTIAL ANSWER TO SERIOUS PROBLEM OF SUB-

STITUTION OF SYNTHETIC FIBER FOR JUTE.USG WITH VERY LOW TARIFF
LEVELS WAS LARGELY OUTSIDE ISSUE JOINED BETWEEN JAPAN AND ES-
PECIALLY EC ON ONE HAND ANDPRODUCER COUNTRIES ON THE OTHER.

9. POSITION OF UNCTAD AND TO SOME EXTENT PRODUCER COUNTRIES WAS
COMPROMISED BY POORLY PREPARED UNCTAD DOCUMENT ON TRADE LIBERALI-
ZATION. DISCUSSION OF ERRORS OF FACT AND STATISTICAL PRESENTATION
OF UNTAD PAPER DREW DISCUSSION AWAY FROM SPECIFIC ISSUES AND PRO-
DUCER COUNTRIES WERE OTHERWISE CONTENT TO CALL FOR TRADE LIBERALIA-
ZATION IN GENERAL TERMS WITH MAKING PRECISE PROPOSALS FOR ACTION.
APART FROM INEFFECTUAL DEFENSE OF PAPER,UNCTAD REP DID NOT PAR-
TICIPATE IN DISCUSSIONS.

10. FAO PAPER ON TRADE LIBERALIZATION WAS GENERALLY WELL RECEIVED.
SUMMARY PROPOSALS IN PAPER SERVED AS FOCUS FOR DELEGATION COMMENTS
BUT SELDOM INSPIRED DEBATE.

1. DRAFT REPORT STATED QUOTE PROPOSALS ADVANCED SOME
POSSIBLE LINES OF ACTION END QUOTE WHICH SHOULD BE QUOTE PRESENTED
TO INTERESTING GOVERNMENTS FOR THEIR CONSIDERATIONS END QUOTE.
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: JUTE, MEETING CHAIRMAN, INTERNATIONAL ORGANIZATIONS, COMMITTEE MEETINGS, PRICE CONTROLS, ELECTIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 16 FEB 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974ROME02260
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: ROME
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740226/aaaaayug.tel
Line Count: 136
Locator: TEXT ON-LINE
Office: ACTION IO
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 01 APR 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <01 APR 2002 by elyme>; APPROVED <03 JUN 2002 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: REPORT ON INTERGOVERNMENTAL GROUP ON JUTE, KENAF AND ALLIED FIBERS, ROME, FEB. 11-15
TAGS: ETRD, FAO, UNCTAD
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005